

**DESCRIPTION OF TRANSACTION
AND PUBLIC INTEREST STATEMENT
(LEASES FROM HORRY TELEPHONE TO T-MOBILE LICENSE)**

Horry Telephone Cooperative, Inc. (“Lessor”) and T-Mobile License LLC (“Lessee”) (each a “Party” and collectively, the “Parties”) are entering into an agreement (the “Exchange Agreement”) to exchange Lessee’s Cellular license KNKN557 and Lessor’s 600 MHz Band licenses WRAM738 and WRAM737 (collectively, the “Licenses”) in various counties centered around Myrtle Beach, SC. In addition, the Parties are entering into a short-term spectrum manager lease agreement (the “Lease Agreement”) in order to (i) grant Lessee the right to use the entire bandwidth in the full geographic areas of 600 MHz Band Licenses WRAM738 and WRAM737 (as further described in Schedule 1 hereto, the “Leased Spectrum”) pending the closing of the Exchange Agreement and thus further expedite the deployment of the spectrum by Lessee and the resulting public interest benefits, and (ii) memorialize the respective rights and responsibilities of Lessor and Lessee with respect to the Leased Spectrum consistent with the Communications Act of 1934, as amended (the “Act”), and the rules, regulations and policies of the FCC (the “Communications Laws”) and the terms and conditions set forth herein.

The lease commencement date will be the date that is ten (10) days after the filing of the instant Form 608. The Lease Agreement will expire on the earlier of the date that is one (1) year from the lease commencement date and the closing of the transaction contemplated by the Exchange Agreement. The Lease Agreement is subject to early termination in certain circumstances, and Lessor intend to file the cancellation notice as appropriate and in accordance with the FCC’s rules.

Consistent with the Lease Agreement and the requirements of the Communications Laws, Lessor, whose qualifications and eligibility as a licensee are matters of Commission record, will retain *de facto* and *de jure* control of the Leased Spectrum throughout the lease term. Lessee, whose qualifications and eligibility also are matters of Commission record, will conduct operations under the Lease Agreement subject to applicable rules and regulations.

No competitive harm will result by the proposed leasing arrangement. Under the Commission’s rules and policies, a lessee is not attributed with spectrum it uses under a short-term lease (such as the instant Lease Agreement).¹

¹ Aggregation information and Competitor information for Lessee will be included with the FCC lead Form 603 applications for the assignment of the Licenses under the Exchange Agreement. Exhibit 2A thereto will shows the spectrum aggregation for T-Mobile USA under the Exchange Agreement in the counties implicated by this Forms 608. In addition, as Exhibit 3 thereto will illustrate, numerous other carriers, including the other national carriers, hold spectrum in the markets.

Finally, because Lessor is not currently providing commercial service on License WRAM738 or WRAM737, there are no customer transition issues relating to this leasing arrangement.

Foreign Ownership

Lessee is a wholly-owned direct subsidiary of T-Mobile USA, Inc. (“T-Mobile USA”). T-Mobile USA in turn is a wholly owned direct subsidiary of T-Mobile US, Inc. (“T-Mobile US”), a publicly-traded U.S.-organized company and part of the family of companies that operate under the T-Mobile® brand names. Deutsche Telekom AG (“DT”), a publicly-traded German corporation, currently directly and indirectly holds approximately 50.23 percent of T-Mobile US’s shares in the aggregate. In addition to its 5.52 percent direct holding in T-Mobile US, DT holds 44.71 percent indirectly through its wholly-owned subsidiary T-Mobile Global Zwischenholding GmbH (“T-Mobile Global”). This subsidiary owns all of the equity and voting interests of T-Mobile Global Holding GmbH (“T-Mobile Holding”), which owns all of the equity and voting interests of Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the 44.71 percent interest in T-Mobile US. DT has *de facto* control of T-Mobile US – and thus Lessee – as a result of a proxy agreement which authorizes DT to vote a majority of the stock of T-Mobile US.

By order released November 5, 2019, the Commission granted, subject to certain conditions, T-Mobile US’s Petition for Declaratory Ruling under Section 310(b)(4) of the Act on behalf of its current and future licensee and lessee subsidiaries that it would not serve the public interest to prohibit more than 25 percent indirect foreign ownership in T-Mobile US.² That ruling also specifically permitted: (i) the foreign entities with a controlling interest in T-Mobile US (*i.e.*, DT Holding B.V., T-Mobile Holding, T-Mobile Global and DT) to increase the aggregate level of their controlling ownership interests in the reorganized T-Mobile US, at some future time, up to any amount, including 100 percent of T-Mobile US’s equity and voting interests; and (ii) specific foreign entities with a non-controlling interest in T-Mobile US (*i.e.*, Kreditanstalt für Wiederaufbau, the Federal Republic of Germany (“FRG”), SoftBank Group, SoftBank and Mr. Masayoshi Son, a Japanese citizen and the founder and CEO of SoftBank) to increase their aggregate interest in T-Mobile US, at some future time, up to and including a non-controlling indirect 49.99 percent equity and voting interest.³ That declaratory ruling, in accordance with Section 1.5001(c)(1) of the rules, specifically listed as covered by such ruling Lessee (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service licenses that are

² See IBFS File No. ISP-PDR-20180618-00002 (filed June 18, 2018); granted by *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of License and Authorizations*, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, FCC 19-103, ¶¶ 361-63 (rel. Nov. 5, 2019).

³ *Id.*

the subject of the instant transaction. The foreign ownership in the licensees, including Lessee, as approved has not materially changed since November 5, 2019 and will not be affected by the instant transaction.

Conclusion

The Parties respectfully submit that Lessee is qualified to operate the Leased Spectrum and that Commission acceptance of the lease arrangement will serve the public interest, convenience and necessity.⁴

⁴ See *Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets*, Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 20604 (2003).

SCHEDULE 1

HTC LICENSE AND LEASED SPECTRUM

Area	FCC Call Sign	Market Name	Service	Channel Block	MHz	Exp. Date
PEA154	WRAM738	Myrtle Beach, SC ULS Submarket 0	600 MHz	F	642-647 688-693	01/09/2030
PEA154	WRAM737	Myrtle Beach, SC ULS Submarket 0	600 MHz	G	647-652 693-698	01/09/2030